

FAR EAST

Kampuchea-Vietnam

A military stalemate in Kampuchea has led to increased political maneuvering by all Khmer factions attempting to broaden domestic support, increase international acceptance, and preserve propaganda initiatives.

- A. The military balance still favors the Vietnamese (180,000) and PRK forces (15-20,000), but they have been unable to consolidate control.
 - 1. Vietnamese and PRK forces are deployed largely in defensive positions near towns, rice growing areas, and important roads.
 - 2. Pol Pot's DK guerrillas (35,000) are making occupation painful and costly to Hanoi.
 - 3. Son Sann's KPNLF (6-8,000) and Sihanouk's Moulinaka (800) are not a viable military alternative to DK, but KPNLF has potential to expand.
- B. Political maneuvering currently focuses on Singaporean proposal for a "loose coalition" to keep Khmer resistance talks on track.
 - 1. DK has dissolved Kampuchean Communist Party to improve image but balking at Singaporean proposal because of loss of authority.
 - 2. Son Sann and Sihanouk also reluctant but being pressed by Singapore and Thailand.
 - 3. Hanoi concerned over the potential strength and appeal of broadly based coalition of DK, KPNLF, and Sihanouk.
- C. The Soviets also have an equity in Vietnam and Indochina.
 - 1. Soviets keeping Vietnam afloat economically by contributing \$2-3 million per day, and maintaining flow of weapons and supplies but at slower rate than previous two years.
 - 2. Soviet presence and use of facilities at Cam Ranh Bay has improved Soviets' military position in the region.
 - 3. Soviet military advisors are helping Vietnamese modernize and re-equip air, ground, and naval forces. Soviet naval units occasionally participate in joint exercises with Vietnamese.

China

Deng Xiaoping continues to dominate Chinese politics as he attempts to ensure continuation of his political and economic reforms.

- A. Deng and allies are still restoring institutions damaged during Mao era and building support for reform program minimizing Maoist ideology.

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1. Key leaders have reservations about portions of Deng's reform program.
- B. Economic development is China's first priority with more investment to agriculture and light industry and less to heavy industry.
 1. New policies will mean slower growth but better foundation for future economic development.
- C. China's economic problems have hit the military hard with modernization postponed and defense spending reduced.
 1. China's large conventional forces hardest hit with ground forces being cut and weapons production reduced, as Chinese emphasize selective production.
 2. Chinese officials still interested in Western weapons and technology and recently concluded deal with UK.
 3. China's strategic weapons programs continue to move forward. China launched first nuclear-powered, ballistic missile submarine and begun flight testing of its missile.
- D. The military balance in the Taiwan Strait area has not changed since normalization with China stronger in numbers and Taiwan's forces qualitatively superior.
 1. China is not capable of successfully invading Taiwan because it lacks necessary air- and sealift capability.
 2. China could blockade or seize the offshore islands, but such actions would be costly.
 3. Taiwan does not currently need advanced weapons to retain qualitative edge.
- E. Beijing has become increasingly concerned over the past year about US intentions toward Taiwan.
 1. The Chinese are threatening to downgrade relations to the charge level if the US provides Taiwan with advanced weapons--especially the FX fighter.
 2. The Chinese also hope to reach agreement with the US on the eventual termination of all military support to Taiwan.
 3. Continuing weapons sales at past levels probably would be tolerated.

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